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ZNR UUUUU ZZH(CCY AD9527B8 MSI7932-695)  
P 201831Z MAY 08 ZDS  
FM AMEMBASSY KINGSTON  
TO RUEHC/SECSTATE WASHDC PRIORITY 6357  
INFO RUEATRS/DEPT OF TREASURY WASHDC  
RUEHDG/AMEMBASSY SANTO DOMINGO 5940

UNCLAS KINGSTON 000453

SENSITIVE  
SIPDIS

C O R R E C T E D COPY - DROPPED ADDEE SANTO DOMINGO ADDED

DEPARTMENT PASS EC CARICOM COLLECTIVE FOR INFO  
STATE FOR WHA/CAR (JTILGHMAN) (VDEPIRRO)  
STATE FOR EEB/TPP/ABT/ATP (JANET SPECK)  
USDA/FAS FOR (BGRUNENFELDER)  
USDA/FAS FOR FAA AREA OFFICER (JBAILEY)

SANTO DOMINGO FOR FCS AND FAS  
TREASURY FOR SARA GRAY

E.O. 12958: N/A  
TAGS: [EAGR](#) [SENV](#) [ECON](#) [ETRD](#) [SOCI](#) [PREL](#) [EAID](#) [ENRGJM](#) [XL](#)  
SUBJECT: JAMAICA FOOD SECURITY: GOJ ACTS QUICKY TO SECURE  
RICE IMPORTS

REF: A. KINGSTON 366

[1](#)B. KINGSTON 354  
[1](#)C. KINGSTON 111

SUMMARY  
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[1](#)1. (SBU) Fear of potential rice shortages has led the Government of Jamaica (GOJ) to act quickly to secure additional rice imports from beyond its CARICOM partners. Prime Minister (PM) Bruce Golding met with President Bharrat Jagdeo of Guyana to obtain a waiver from CARICOM external tariff in order to purchase rice from the United States. Minister of Industry and Commerce Karl Samuda says the island does not face a current shortage, but he wanted to allay fears by securing more supply. Samuda also has warned retailers against raising prices on consumers. End Summary.

GOJ Imports Rice from U.S.  
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[1](#)2. (U) In his Parliamentary speech on Tuesday May 13, Minister of Industry and Commerce Karl Samuda announced that Guyana agreed to waive the 25 percent Common External Tariff (CET) on grain imports to allow Jamaica to buy rice from the U.S. amid concerns of dwindling local supplies. Samuda said he has immediate plans to purchase 9,000 tons of rice from the U.S. which would prevent any potential rice shortage. In order to secure approval from CARICOM, Samuda said the GOJ agreed to buy 60 percent of the 100,000 tons of rice it consumes annually from Guyana. Jamaica does not currently face a chronic shortage in aggregate food supplies, but soaring prices over the last two years have led to growing concerns (reftels).

Guyana Opposition Resolved  
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[1](#)3. (U) Guyana had initially opposed Jamaica's request because officials said they had enough grain to supply its market. PM Golding had met with President Jagdeo over the weekend to discuss the rice issue. Guyana is the Caribbean's largest rice producer and could have vetoed the request. Samuda said he wants to build up the country's inventory of rice. Samuda stated that rice has become increasingly expensive on the world market as countries hold on to their domestic supplies, fearing shortages. The recent devastating cyclone in Myanmar (Burma)-one of the worlds leading rice

producers--has furthered those fears. The JLP-led government has charged that Guyana was not supplying enough rice to meet local demand--a charge Guyana denies. In 2007, a rice shortfall from Guyana forced Jamaica to buy 17,000 tons from the United States.

#### Samuda Warns Against Price Gouging

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14. (U) Samuda also has warned retailers not to try to gouge consumers by raising prices. In an interview after his Parliamentary speech, Samuda said "Let me make it clear to all concerned that, whilst I am a disciple of the market, irresponsible behavior by any distributor, wholesaler or retailer that jeopardizes the welfare of the consumers will not be tolerated." "I will not hesitate to exercise any provision in order to protect the consumer, if necessary. Make no mistake about that," he told Parliament. Samuda claimed the GOJ has achieved its objective of overall price stabilization. The main staples of wheat flour and rice have jumped by 30 percent in April (reftel A).

JOHNSON